

## Message Text

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PAGE 01 NEW DE 08392 191617Z

46

ACTION EB-11

INFO OCT-01 NEA-10 ADP-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 L-03

H-03 PRS-01 PA-03 USIA-15 RSR-01 /145 W

----- 129816

R 191325Z JUL 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5658

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: RESERVE BANK REVALUES FOREIGN EXCHANGE ASSETS

REF: NEW DELHI 4757

1. THE RESERVE BANK OF INDIA HAS RECENTLY REVALUED THE FOREIGN CURRENCY PORTION OF ITS RESERVES TO REFLECT CHANGES IN CURRENCY VALUES WHICH HAVE ACCURRED DURING THE CONTINUED FLOTATION OF PRINCIPAL CURRENCIES OF WHICH INDIA HAS HOLDINGS. THE REVALUED AMOUNT IS REFLECTED IN THE RBI'S WEEKLY STATEMENT OF JULY 6, 1973, IN WHICH THE RBI'S FOREIGN CURRENCY ASSETS ARE LISTED AS RS. 4.49 BILLION (DOLS 599 MILLION AT RS. 7.5 EQUAL DOLS 1, OR DOLS 610 MILLION AT RS. 7.36 EQUAL DOLS 1). RS. 7.36 EQUAL DOLS 1 WAS THE RUPEE-DOLLAR CROSSRATE ON JULY 6, 1973.

2. RBI FOREIGN CURRENCY HOLDINGS OF RS. 4.49 BILLION REPRESENTS INCREASE OF RS. 484 MILLION (DOLS 64 MILLION) FROM THE PREVIOUS LIMITED OFFICIAL USE

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PAGE 02 NEW DE 08392 191617Z

WEEKS'S LEVEL. OF THE INCREASE OF RS. 484 MILLION, RS. 400

MILLION (DOLS 53 MILLION) IS ESTIMATED AS DUE TO THE REVALUATION OF ASSETS. THE REMAINDER IS ATTRIBUTED TO A PAYMENTS SURPLUS IN THESE ACCOUNTS DURING THE WEEK.

3. THE RBI HAS NOT MADE ANY CHANGE IN THE VALUATION OF ITS GOLD HOLDINGS WHICH IT CONTINUES TO LIST AS RS. 1.83 BILLION (DOLS 243 MILLION). THESE WOULD, HOWEVER, BE SUBSTANTIALLY HIGHER (DOLS 293 MILLION) IF VALUED AT DOLS 42.22 AND OUNCE INSTEAD OF DOLS 35.00. THE IMF CURRENTLY LISTS INDIA'S GOLD HOLDINGS AT DOLS 264 MILLION (DOLS 38.00 PER OUNCE). INDIA'S FOREIGN EXCHANGE RESERVES ALSO INCLUDE SDRS OF DOLS 296 MILLION, AND ITS RESERVE POSITION IN THE FUND OF DOLS 92 MILLION (END-APRIL DATA AS PUBLISHED IN JUNE ISSUE OF IMF'S INTERNATIONAL FINANCIAL STATISTICS).

4. CUMULATING THE ABOVE, AND ASSUMING NO CHANGE IN SDR HOLDINGS OR GOLD TRANCHE POSITION DURING MAY AND JUNE, INDIA'S FOREIGN EXCHANGE RESERVES ON JULY 6, 1973 ARE ESTIMATED BY EMBASSY AT DOLS 1,280 MILLION. THEY WERE COMPOSED OF RBI FOREIGN CURRENCY HOLDINGS OF DOLS 4599 MILLION, GOLD OF DOLS 293 MILLION, SDRS OF DOLS 296 MILLION AND IMF GOLD TRANCHE POSITION OF DOLS 92 MILLION.

5. ABOVE TOTAL OF DOLS 1,280 MILLION DOES NOT INCLUDE GOI FOREIGN CURRENCY BALANCES HELD ABROAD WHICH THE INDIANS VALUED AT RS. 80 CRORES (DOLS 107 MILLION) ON APRIL 30, 1973 (THE LAST DATE FOR WHICH INFORMATION ON THESE HOLDINGS IS AVAILABLE). ASSUMING NO CHANGE IN THIS COMPONENT, INDIA'S TOTAL RESERVES AS OF JULY 6, 1973 WERE DOLS 1,387 MILLION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL BANK, BANK RESERVES, FOREIGN EXCHANGE HOLDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 JUL 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973NEWDE08392  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Line Count:** 91  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** 73 NEW DELHI 4757  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Dec-2001 by kelleyw0>; APPROVED <09-Jan-2002 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RESERVE BANK REVALUES FOREIGN EXCHANGE ASSETS  
**TAGS:** EFIN, IN  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005